

**MINUTES
City of Pomona
Successor Agency Oversight Board
Special Meeting
May 3, 2012
9:30 a.m.**

Pomona City Council Chambers

505 S.Garey Avenue, Pomona

Board Members Present

Leslie Barnes, Board Member
Mike Gregoryk, Board Member
Gerry Hertzberg, Board Member
Elliott Rothman, Vice Chair
Carrie Sutkin, Chair

Board Members Absent

Bruce Saito, Board Member
Vacant Seat: Representative from the City of Pomona

Staff Members Present

Linda Lowry, City Manager
Arnold Alvarez-Glasman, City Attorney
Paula Chamberlain, Director of Finance
Raymond Fong, Director of Redevelopment
Mark Lazzaretto, Director of Community Development
Marie Michel Macias, City Clerk

Members of the Public

LaTayvius Alberty, Los Angeles County Counsel
Edward Kopkin, Private Attorney

1. CALL TO ORDER

A) Roll Call by the City Clerk

The Roll Call was taken by the City Clerk.

B) Pledge of Allegiance

The Pledge of Allegiance was led by the City Clerk.

**2. SELECTION OF SPECIAL COUNSEL FOR THE OVERSIGHT BOARD AND
DISCUSSION OF CONFLICT OF INTEREST CODE**

On suggestion of Board Member Hertzberg, the Board agreed to table this item for discussion following agenda Item No. 3 Review and Approval of Remaining Items on the Recognized Obligation Payment Schedule (ROPS). Staff was instructed to work with Chair Sutkin for order of items on future agendas.

The Board agreed to hold off the discussion regarding the Conflict of Interest

Code until they have counsel. Linda Lowry, City Manager, provided an update as requested at the last Board meeting. Paula Chamberlain, Director of Finance, oversees the Purchasing Department and a RFQ for Legal Counsel was sent out and 10 proposals were received. A subcommittee was formed with the task to review and submit one counsel/law firm for approval by the Board at the next meeting on May 24, 2012. The subcommittee is comprised of Chair Sutkin, Vice Chair Rothman and Linda Lowry, City Manager.

On Motion of Board Member Gregoryk, seconded by Board Member Hertzberg, carried by unanimous vote of the members present (5-0), the Board approved to form the Subcommittee with the task of reviewing and submitting one counsel/law firm for approval by the Board at the next meeting on May 24, 2012.

3. REVIEW AND APPROVAL OF REMAINING ITEMS ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

Paula Chamberlain, Director of Finance and Raymond Fong, Director of Redevelopment presented the changes requested by the Board at the meeting of April 26, 2012. The Board reviewed the revised ROPS January 1, 2012 through June 30, 2012 (ROPS 1) as follows:

Section A, Line Item 13: Project Name: Direct Project Management Cost, Payee: City of Pomona Employees.

Ms. Chamberlain informed the Board that item was not part of the Administrative Budget because it is more of a project-specific direct cost to administering the bonds.

On motion of Board Member Gregoryk, seconded by Board Member Hertzberg, carried by unanimous vote of the members present (5-0), Section A, Line Item 13: Project Name: Direct Project Management Cost, Payee: City of Pomona Employees, was approved.

Section C, Line Item 1: Project Name: Direct Project Management Cost, Payee: City of Pomona Employees. Ms. Chamberlain informed the Board that item was not part of the Administrative Budget because the cost is for the actual oversight of the agreements, reviewing the contracts, etc.

On motion of Board Member Hertzberg, seconded by Vice Chair Rothman, carried by unanimous vote of the members present (5-0), Section C, Line Item 1: Project Name: Direct Project Management Cost, Payee: City of Pomona Employees, was approved.

Section C, Line Item 2: Project Name: Auto Center Participations, Payee: Pomona Auto Center Owners.

On motion of Board Member Hertzberg, Seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section C, Line Item 2:

Project Name: Auto Center Participations, Payee: Pomona Auto Center Owners. was approved.

Section C, Line Item 3: Project Name: Walgreen Company, Payee: Walgreen Company.

On motion of Chair Sutkin, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section C, Line Item 3: Project Name: Walgreen Company, Payee: Walgreen Company, was approved.

Section C, Line Item 4: Project Name: Phillips Ranch Devel-Ku, Payee: Phillips Ranch Development.

Ms. Chamberlain reported that this item is for the Freeway Monument Sign and that the sign has been completed, but there is \$4,720 left in the contract budget. Chair Sutkin suggested to have the Successor Agency's legal counsel write a closing letter for the project to release obligation for any further payments. Staff also reported that all of KU and Associates interests in the Amended and Restated Disposition and Development Agreement (ARDDA) were acquired by YK America as the sole developer of Phillips Ranch Plaza and Phillips Ranch Devel-Ku will be changed to Phillips Ranch Devel-YK in the Project Name column on the ROPS 1 and 2.

On motion of Board Member Gregoryk, seconded by Board Member Hertzberg, carried by unanimous vote of the members present (5-0), Section C, Line Item 4: Project Name: Phillips Ranch Devel-Ku, Payee: Phillips Ranch Development, was approved.

Section C, Line Item 5: Project Name: Phillips Ranch Devel-Ku, Payee: Phillips Ranch Development.

This item was removed from ROPS 1 and 2.

Section C, Line Item 6: Project Name: Phillips Ranch Devel-Ku, Payee: Phillips Ranch Development and Section C, Line Item 7: Project Name: Phillips Ranch Plaza-landfill Site, Payee: Phillips Ranch Development.

Following discussion, on motion of Board Member Hertzberg, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section C, Line Item 6: Project Name: Phillips Ranch Devel-Ku, Payee: Phillips Ranch Development and Section C, Line Item 7: Project Name: Phillips Ranch Plaza-landfill Site, Payee: Phillips Ranch Development, were removed from the ROPS Exhibit A and B for placement for approval on a future ROPS pending review of the contract and determination if it is an enforceable obligation and Section C, Line Item 6: Project Name: Phillips Ranch Devel-Ku was amended to reflect the name change from Phillips Ranch Devel-Ku to Phillips Ranch Devel-YK.

Section C, Line Item 8: Project Name: Pomona Brewery, Payee: Pomona Brewery.

Mark Lazzaretto, Director Community of Development, provided and update and reported that the construction is not complete because there are some changes that need to be made. He further reported that the Jason Abboud, dba Pomona Brewerey, has not applied for the Certificate of Occupancy.

Following Discussion, on motion of Board Member Hertzberg, seconded by Board Member Barnes, carried by unanimous vote of the members present (5-0), Section C, Line Item 8: Project Name: Pomona Brewery, Payee: Pomona Brewery, was approved on ROPS Exhibit A and Exhibit B, with the caveat that the June payment would not be released until review by legal counsel on provisions within the Agreement that would allow the Successor Agency (SA) to declare Mr. Abboud in default and enable the SA to recover the funds that have been released.

Section C, Line Item 9: Project Name: Thomas Group, Payee: Thomas Group.

On motion of Chair Sutkin, seconded by Board Member Hertzberg, moved to approve the item to the ROPS, seconded by Hertzberg, carried by unanimous vote of the members present (5-0), Section C, Line Item 9: Project Name: Thomas Group, Payee: Thomas Group was approved.

Section C, Line Item 10: Project Name: Cal Spas (Lloyds Material Supply Co.), Payee: Lloyds Material Supply Co.

On motion of Vice Chair Rothman, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section C, Line Item 10: Project Name: Cal Spas (Lloyds Material Supply Co.), Payee: Lloyds Material Supply Co., was approved.

Section C, Line Item 11: Project Name: Mission Promenade, Payee: Mission Promenade LLC.

On motion of Vice Chair Rothman, seconded by Board Member Barnes, carried by unanimous vote of the members present (5-0), Section C Line Item 11: Project Name: Mission Promenade, Payee: Mission Promenade LLC., was approved.

Section C, Line Item 12: Project Name: Fox Theater, Payee: Fox Theater.

Vice Chair requested staff to provide the number of dates the city received for community events at the Fox Theater and the Board requested an update for discussion at the June meeting.

On motion of Board Member Gregoryk, seconded by Board Member Hertzberg, carried by unanimous vote of the members present (5-0), moved to approve the item, Section C, Line Item 12: Project Name: Fox Theater, Payee: Fox Theater, was approved.

Section C, Line Item 13: Project Name: Superior Duct, Payee: Superior Duct.

On motion of Vice Chair Rothman, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section C, Line Item 13: Project Name: Superior Duct, Payee: Superior Duct, was approved.

Section C, Line Item 14: Project Name: Target Center, Payee: Transtech and
Section C, Line Item 15: Project Name: Target Center, Payee: Undetermined.

Raymond Fong, Director of Redevelopment, reviewed the staff report provided to the Board. He reported that the DDA was approved by City Council during a Public Hearing on 6/20/11, but the final DDA was not executed until 6/29/11, which is past the date for items to be considered enforceable obligations. Arnold Alvarez-Glasman, City Attorney, stated that Target would have a good case to sue the city of Pomona if they default on the DDA. Mr. Fong also mentioned that the payments listed on the ROPS are for the consultant to prepare design plans, and they will not meet the schedule if the payments stop. Vice Chair Rothman added that there are no payments due until September 2012.

Following discussion, on motion of Board Member Hertzberg, seconded by Board Member Gregoryk, carried by majority vote of the members present (4-1-0-0) Chair Sutkin opposed, Section C, Line Item 14: Project Name: Target Center, Payee: Transtech and Section C, Line Item 15: Project Name: Target Center, Payee: Undetermined, were approved with no payments scheduled without Oversight Board Approval and acknowledgment that this is a significant legal issue that must be resolved.

Section C, Line Item 16: Project Name: Commercial Facade.

On motion of Board Member Hertzberg, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section C, Line Item 16: Project Name: Commercial Façade, was removed from ROPS 1 and 2.

Section C, Line Item 17: Project Name: Guadalajara Supermarket, Payee: Guadalajara Supermarket.

On motion Vice Chair Rothman, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section C, Line Item 17: Project Name: Guadalajara Supermarket, Payee: Guadalajara Supermarket, was removed from ROPS 1 and 2.

Section C, Line Item 18: Project Name: LA County Fair Convention Center,
Payee: LA County Fair and Section C, Line Item 19: Project Name: Waterline
Relocation Assistance, Payee: Mission BP, LLC – C.19.

On motion of Board Member Gregoryk, seconded by Vice Chair Rothman, carried by unanimous vote of the members present (5-0), Section C, Line Item 18: Project Name: LA County Fair Convention Center, Payee: LA County Fair and Section C, Line Item 19: Project Name: Waterline Relocation Assistance, Payee: Mission BP, LLC – C.19, were approved.

Section D, Line Item 4: Project Name: Employees MOU Obligations, Payee: Former Pomona Employees.

On motion of Board Member Gregoryk, seconded by Chair Sutkin, carried by unanimous vote of the members present (5-0), Section D, Line Item 4: Project Name: Employees MOU Obligations, Payee: Former Pomona Employees, was approved.

Section D, Line Item 5: Project Name: Oversight Board Expense/Legal.

On motion of Hertzberg, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section D, Line Item 5: Project Name: Oversight Board Expense/Legal, was approved with the caveat that the legal costs stay within the allotted administrative budget cap.

Section D, Line Item 5.1: Project Name: Oversight Board Expense/Material, Payee: OB of Successor Agency.

On motion of Board Member Hertzberg, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section D, Line Item 5.1: Project Name: Oversight Board Expense/Material, Payee: OB of Successor Agency, was approved with the caveat that it made adjusted accordingly so that it does not exceed the allotted administrative budget percentage.

Section D, Line Item 7: Project Name: Equipment Maintenance Repair, Payee: Konica Minolta and Section D, Line Item 8: Project Document Filing System, Payee: Archives.

These items were removed from ROPS 1 and 2.

Section E. Other Liabilities, Line Items 1, 2, 3, and 4.

On motion of Board Member Hertzberg, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section E. Other Liabilities, Line Items 1, 2, 3, and 4, were approved.

Section F. Property Disposition Project Cost, Line Items 1, 2, 3, 4, 5, 6, 7, and 8.

On motion of Vice Chair Rothman, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (4-0-1-0) Board Member Hertzberg Absent, Section F. Property Disposition Project Cost, Line Items 1, 2, 3, 4, 5, 6, 7, and 8, were approved.

Section G, Line Item 1: Project Name: Direct Project Management Cost; Line Item 2: Project Name: Lead Match; Line Item 3: Project Name: Abate hazardous Buildings; and Line Item 4: Project Name: Neighborhood Improvement Prog.

On motion of Board Member Gregoryk, seconded by Board Member Barnes, carried by unanimous vote of the members present (4-0-1-0) Board Member

Hertzberg Absent, Section G, Line Item 1: Project Name: Direct Project Management Cost; Line Item 2: Project Name: Lead Match; Line Item 3: Project Name: Abate hazardous Buildings; and Line Item 4: Project Name: Neighborhood Improvement Prog., were approved.

Section G. Property Related Program Obligations, Line Items 5, 6, 7, 8, 9, 10 and 11.

These items were removed from ROPS 1 and 2.

Section J. Administrative Expense, Line Items 1, 2, (Line Item 3 was removed), 4, 5, and 6.

This section would reflect the prior changes to the ROPS and stay within the administrative budget cap.

On motion of Board Member Hertzberg, seconded by Vice Chair Rothman, carried by unanimous vote of the members present (5-0), Section J. Administrative Expense, Line Items 1, 2, (Line Item 3 was removed), 4, 5, and 6 were approved.

Section K, Line Item 1: Project Name: Target Center-property purchase, Payee: RVC Realty & Chrysler Finance.

On motion of Board Member Hertzberg, seconded by Board Member Gregoryk, carried by majority vote of the members present (4-1-0-0) Vice Chair Rothman opposed, Section K, Line Item 1: Project Name: Target Center-property purchase, Payee: RVC Realty & Chrysler Finance, was removed from ROPS 1 and 2.

Section K, Line Item 2: Project Name: Highway Improvement- 71 to Freeway Payee: Caltrans.

On motion of Chair Sutkin, seconded by Board Member Hertzberg, carried by unanimous vote of the members present (5-0), Section K, Line Item 2: Project Name: Highway Improvement- 71 to Freeway Payee: Caltrans, was approved.

Section K, Line Item 3: Project Name: Streetscape Garey Med Beautification. Payee: KASA Construction Inc.

On motion of Chair Sutkin, seconded by Board Member Gregoryk, carried by unanimous vote of the members present (5-0), Section K, Line Item 3: Project Name: Streetscape Garey Med Beautification, Payee: KASA Construction Inc., was approved.

Section K-RDA Bond Proceed CIP Obligations, Line Items 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13.

Board Member Hertzberg suggested scheduling further discussion of the bonds at a future meeting.

On motion of Chair Sutkin, seconded by Board Member Gregoryk, carried by majority vote of the members present (4-1-0-0) Vice Chair Rothman opposed, Section K-RDA Bond Proceed CIP Obligations, Line Items 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, were removed from the ROPS 1 and 2.

A) REVIEW AND APPROVE RESOLUTION NO. OB 2012_ APPROVING THE REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JANUARY 1, 2012 THROUGH JUNE 30, 2012 (ROPS 1);

On motion of Chair Sutkin, seconded by Board Member Hertzberg, carried by unanimous vote of the members present (5-0), Resolution NO. OB 2012 and the Revised Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2012 through June 30, 2012 (Exhibit A), was approved as amended.

Paula Chamberlain, Director of Finance, reviewed the changes that were previously approved for January 1, 2012 through June 30, 2012 (ROPS 1) to be amended on July 1, 2012 through December 31, 2012 (ROPS 2).

Section A- RDA/PFA Bonds

Same change as previously approved on ROPS 1.

Section B-Loans & Notes

No changes. This section was approved at the May 3, 2012 meeting.

Section C-Development Agreement Obligations/Business Assistance Loans

Same changes as previously approved on ROPS 1, with the same notes for Section C, Line Item 14: Project Name: Target Center, Payee: Transtech and Section C, Line Item 15: Project Name: Target Center, Payee: Undetermined, that no payments scheduled without the Oversight Board Approval

Ms. Chamberlain stated that ROPS 2 shows payments for Line Item 8: Project Name: Pomona Brewery and Line Item 13: Project Name: Superior Duct. However, these payments will not be made without the Oversight Board's approval.

Section D- Other Obligations

Same changes as previously approved on ROPS 1.

Section E-Other Liabilities

Same changes as previously approved on ROPS 1.

Section F-Property Disposition Project Cost

Same changes as previously approved on ROPS 1. Ms. Chamberlain stated that there are fewer addresses listed under Payee for Line Item 3: Project name Redevelopment Property Maintenance.

Section G-Property Related Program Obligations

Same changes as previously approved on ROPS 1. The section will be eliminated in ROPS 2.

Section H-Other Loans

No changes. This section was approved at the May 3, 2012 meeting.

Section I-Pass-through Obligations

No items are listed. The County assumed this obligation.

Section J-Administrative Expense

Same changes as previously approved on ROPS 1.

Section K-RDA Bond Proceed CIP Obligations

Same changes as previously approved on ROPS 1.

B) REVIEW AND APPROVE RESOLUTION NO. OB 2012_ APPROVING THE REVISED ROPS FOR THE PERIOD OF JULY 1, 2012 THROUGH DECEMBER 31, 2012 (ROPS 2); AND

C) DIRECT SUCCESSOR AGENCY STAFF TO TRANSMIT THE APPROVED ROPS DOCUMENTS TO THE LOS ANGELES COUNTY AUDITOR CONTROLLER, THE STATE CONTROLLER, AND THE STATE DEPT. OF FINANCE

On motion of Board Member Hertzberg, seconded by Board Member Barnes, carried by majority vote of the members present (4-1-0-0) Vice Chair Rothman opposed to Section K-RDA Bond Proceed CIP Obligations, Line Items 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, Resolution NO. OB 2012 and the Revised Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through December 31, 2012 (ROPS 2), was approved as amended.

4. APPROVAL OF THE ADMINISTRATIVE BUDGET FOR JULY 1, 2012 THROUGH DECEMBER 31, 2012

On motion of Board Member Gregoryk, seconded by Chair Sutkin, carried by unanimous vote of the members present (5-0), the item was approved.

5. DIRECTION ON THE PREPARATION OF THE SUCESSOR AGENCY'S REAL PROPERTY DISPOSITION PLAN

On motion of Chair Sutkin, seconded by Board Member Hertzberg, this item was tabled until the June meeting.

6. PUBLIC COMMENT

Edward Kopkin, Attorney, spoke with regard to Agenda Item No. 2, and asked the Board to consider utilizing his legal services.

7. ADJOURNMENT

The meeting was adjourned at 12:103 a.m. to a Regular Meeting on May 24 2012 at 10:00 a.m. in the City Council Chambers, 505 South Garey Avenue, Pomona.

Marie Michel Macias, Clerk

ATTEST:

Carrie Sutkin, Chairperson